

ARIZONA CORPORATION COMMISSION  
UTILITIES DIVISION

**RECEIVED**

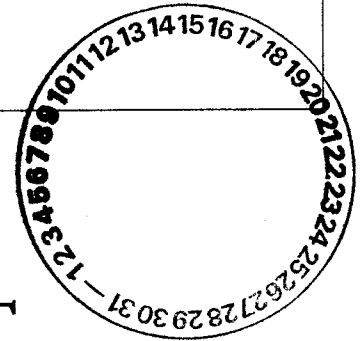
APR 29 2004

AZ CORPORATION COMMISSION  
DIRECTOR OF UTILITIES

ANNUAL REPORT MAILING LABEL - MAKE CHANGES AS NECESSARY

W-01472A  
Mormon Lake Water Co.  
P.O. Box 29041  
Phoenix AZ 85038

**ANNUAL REPORT**



**FOR YEAR ENDING**

12	31	2003
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FOR COMMISSION USE

Ann04	03
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## COMPANY INFORMATION

<b>Company Name (Business Name)</b> <u>Mormon Lake Water Company</u>		
<b>Mailing Address</b> <u>PO Box 29041 (Please mail all forms to this address)</u>		
<u>Phoenix</u> (City)	<u>AZ</u> (State)	<u>85038</u> (Zip)
<u>(480) 998-8888</u>	<u>(480) 607-8644</u>	
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)
Email Address _____		
<b>Local Office Mailing Address</b> <u>PO Box 38012</u>		
<u>Mormon Lake</u> (City)	<u>AZ</u> (State)	<u>86038</u> (Zip)
<u>(928) 354-2227</u>	<u>(928) 354-2356</u>	
Local Office Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)
Email Address _____		

## MANAGEMENT INFORMATION

<b>Management Contact:</b> <u>Scott Gold</u>		<u>President</u>	
	(Name)		(Title)
<u>PO Box 38012</u> (Street)	<u>Mormon Lake</u> (City)	<u>AZ</u> (State)	<u>86038</u> (Zip)
<u>(928) 354-2227</u>	<u>(928) 354-2356</u>		
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	
Email Address _____			
<b>On Site Manager:</b> <u>Jim Sorgatz</u>			
	(Name)		
<u>PO Box 38012</u> (Street)	<u>Mormon Lake</u> (City)	<u>AZ</u> (State)	<u>86038</u> (Zip)
<u>(928) 354-2227</u>	<u>(928) 354-2356</u>	<u>(602) 593-9390</u>	
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	
Email Address _____			

☒ Please mark this box if the above address(es) have changed or are updated since the last filing.

**Statutory Agent:** Navaz Ghaswala

(Name)

7501 E. McCormick Pkwy,

(Street)

Scottsdale

(City)

AZ

(State)

85258

(Zip)

(480) 998-8888

Telephone No. (Include Area Code)

(480) 998-8887

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

**Attorney:** Ed Wainscott, Quarles & Brady Streich Lang

(Name)

Two N. Central Ave.

(Street)

Phoenix

(City)

AZ

(State)

85004-2391

(Zip)

(602) 229-5704

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

### OWNERSHIP INFORMATION

Check the following box that applies to your company:

☐ Sole Proprietor (S)

☒ C Corporation (C) (Other than Association/Co-op)

☐ Partnership (P)

☐ Subchapter S Corporation (Z)

☐ Bankruptcy (B)

☐ Association/Co op (A)

☐ Receivership (R)

☐ Limited Liability Company

☐ Other (Describe) \_\_\_\_\_

### COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

☐ APACHE

☐ COCHISE

☒ COCONINO

☐ GILA

☐ GRAHAM

☐ GREENLEE

☐ LA PAZ

☐ MARICOPA

☐ MOHAVE

☐ NAVAJO

☐ PIMA

☐ PINAL

☐ SANTA CRUZ

☐ YAVAPAI

☐ YUMA

☐ STATEWIDE

**COMPANY NAME** Mormon Lake Water Company

**UTILITY PLANT IN SERVICE**

<b>Acct. No.</b>	<b>DESCRIPTION</b>	<b>Original Cost (OC)</b>	<b>Accumulated Depreciation (AD)</b>	<b>O.C.L.D. (OC less AD)</b>
301	Organization			
302	Franchises			
303	Land and Land Rights			
304	Structures and Improvements	13087	11758	1329
307	Wells and Springs	39209	24416	14793
311	Pumping Equipment	2394	600	1794
320	Water Treatment Equipment	12356	5373	6983
330	Distribution Reservoirs and Standpipes	21561	7954	13607
331	Transmission and Distribution Mains			
333	Services			
334	Meters and Meter Installations	25109	8785	16324
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment	43867	43867	0
340	Office Furniture and Equipment	2091	473	1618
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	<b>TOTALS</b>	<b>159674</b>	<b>103226</b>	<b>56448</b>

This amount goes on the Balance Sheet Acct. No. 108

**CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR**

<b>Acct. No.</b>	<b>DESCRIPTION</b>	<b>Original Cost (1)</b>	<b>Depreciation Percentage (2)</b>	<b>Depreciation Expense (1x2)</b>
301	Organization			
302	Franchises			
303	Land and Land Rights			
304	Structures and Improvements	13087	.05	654
307	Wells and Springs	39209	.05	1960
311	Pumping Equipment	2394	.05	120
320	Water Treatment Equipment	12356	.05	618
330	Distribution Reservoirs and Standpipes	21561	.05	1078
331	Transmission and Distribution Mains			
333	Services			
334	Meters and Meter Installations	25109	.05	1255
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment	43867	.00	0
340	Office Furniture and Equipment	2091	.05	105
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	<b>TOTALS</b>	<b>159674</b>		<b>5790</b>

This amount goes on Comparative Statement of Income and Expense \_\_\_\_\_  
Acct. No. 403.

## BALANCE SHEET

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	<b>ASSETS</b>		
	<b>CURRENT AND ACCRUED ASSETS</b>		
131	Cash	\$ 45086	\$ 31176
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	2437	( 1286 )
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets	0	0
	<b>TOTAL CURRENT AND ACCRUED ASSETS</b>	\$ 47523	\$ 29890
	<b>FIXED ASSETS</b>		
101	Utility Plant in Service	\$ 150050	\$ 159674
103	Property Held for Future Use		
105	Construction Work in Progress	9552	0
108	Accumulated Depreciation – Utility Plant	( 100088 )	( 103226 )
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	<b>TOTAL FIXED ASSETS</b>	\$ 59514	\$ 56448
	<b>TOTAL ASSETS</b>	<b>\$ 107037</b>	<b>\$ 86338</b>

**NOTE:** The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

### BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	<b>LIABILITIES</b>		
	<b>CURRENT LIABILITIES</b>		
231	Accounts Payable	\$	\$
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies	758	1062
235	Customer Deposits		
236	Accrued Taxes	934	1089
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities	1897	0
	<b>TOTAL CURRENT LIABILITIES</b>	\$ 3589	\$ 2151
	<b>LONG-TERM DEBT (Over 12 Months)</b>		
224	Long-Term Notes and Bonds	\$ ---	\$ ---
	<b>DEFERRED CREDITS</b>		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction		
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction		
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	<b>TOTAL DEFERRED CREDITS</b>	\$ 0	\$ 0
	<b>TOTAL LIABILITIES</b>	\$ 3589	\$ 2151
	<b>CAPITAL ACCOUNTS</b>		
201	Common Stock Issued	\$ 100	\$ 100
211	Paid in Capital in Excess of Par Value	353518	353518
215	Retained Earnings	(250170)	(269431)
218	Proprietary Capital (Sole Props and Partnerships)		
	<b>TOTAL CAPITAL</b>	\$ 103448	\$ 84187
	<b>TOTAL LIABILITIES AND CAPITAL</b>	\$ 107037	\$ 86338

**COMPARATIVE STATEMENT OF INCOME AND EXPENSE**

<b>Acct. No.</b>	<b>OPERATING REVENUES</b>	<b>PRIOR YEAR</b>	<b>CURRENT YEAR</b>
461	Metered Water Revenue	\$ 40353	\$ 37018
460	Unmetered Water Revenue		
474	Other Water Revenues	210	330
	<b>TOTAL REVENUES</b>	<b>\$ 40563</b>	<b>\$ 37348</b>
	<b>OPERATING EXPENSES</b>		
601	Salaries and Wages	\$	\$
610	Purchased Water	5352	18999
615	Purchased Power	2506	2365
618	Chemicals		
620	Repairs and Maintenance	---	431
621	Office Supplies and Expense	675	791
630	Outside Services	22159	21148
635	Water Testing	628	1175
641	Rents	1	1
650	Transportation Expenses	118	136
657	Insurance – General Liability		
659	Insurance - Health and Life		
666	Regulatory Commission Expense – Rate Case		
675	Miscellaneous Expense	1085	2659
403	Depreciation Expense	5309	5790
408	Taxes Other Than Income	15	16
408.11	Property Taxes	1805	1720
409	Income Tax	50	50
	<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 40423</b>	<b>\$ 55281</b>
	<b>OPERATING INCOME/(LOSS)</b>	<b>\$ 140</b>	<b>\$ ( 17933 )</b>
	<b>OTHER INCOME/(EXPENSE)</b>		
419	Interest and Dividend Income	\$ 117	\$ 74
421	Non-Utility Income	141	30
426	Miscellaneous Non-Utility Expenses	---	( 1432 )
427	Interest Expense		
	<b>TOTAL OTHER INCOME/(EXPENSE)</b>	<b>\$ 258</b>	<b>\$ ( 1328 )</b>
	<b>NET INCOME/(LOSS)</b>	<b>\$ 398</b>	<b>\$ ( 19261 )</b>



<b>COMPANY NAME</b>	Mormon Lake Water Company
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**SUPPLEMENTAL FINANCIAL DATA**  
**Long-Term Debt**

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued				
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$	\$	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate				
Current Year Interest	\$	\$	\$	\$
Current Year Principle	\$	\$	\$	\$

Meter Deposit Balance at Test Year End                      \$ N/A

Meter Deposits Refunded During the Test Year                      \$ N/A

**COMPANY NAME** Mormon Lake Water Company

## WATER COMPANY PLANT DESCRIPTION

### WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (Gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-608464	1/3	8	67	6	5/8x3/4	1972
55-564454	1/2	8	105	5	5/8x3/4	1997
55-564838	1/2	7	114	5	5/8x3/4	1997

- Arizona Department of Water Resources Identification Number

### OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
Pearson Water Company	N/A	13000
Mormon Lake Lodge	40	549980

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
5	1	N/A	N/A
3	1		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
24000	1	760	1
12000	2		
15000	2		

COMPANY NAME Mormon Lake Water Company

**WATER COMPANY PLANT DESCRIPTION (CONTINUED)**

**MAINS**

Size (in inches)	Material	Length (in feet)
2	Galvanized	2500
3		
4		
5		
6		
8		
10		
12		
2.5	PVC	1050
2	PVC	1500
1	Poly	9300

**CUSTOMER METERS**

Size (in inches)	Quantity
5/8 X 3/4	152
3/4	
1	
1 1/2	1
2	
Comp. 3	
Turbo 3	
Comp. 4	
Turbo 4	
Comp. 6	
Turbo 6	

For the following three items, list the utility owned assets in each category.

**TREATMENT EQUIPMENT:**

2 - 50 GPM green sand iron filters  
2 - liquid chlorinators  
1 - 50 GPM multi-media final filter

**STRUCTURES:**

1 pump house 10 x 20

**OTHER:**

COMPANY NAME: Mormon Lake Water Company

**WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2003**

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLON PUMPED (Thousands)
JANUARY	136	79,210	98,900
FEBRUARY	136	179,060	126,100
MARCH	136	48,660	65,100
APRIL	134	81,660	62,200
MAY	134	183,920	466,800
JUNE	140	435,520	515,900
JULY	140	631,950	526,000
AUGUST	137	361,180	370,600
SEPTEMBER	137	209,970	266,300
OCTOBER	138	155,660	99,300
NOVEMBER	137	62,030	51,400
DECEMBER	137	46,170	47,200
TOTAL		N/A	2,695,800

Is the Water Utility located in an ADWR Active Management Area (AMA)?

( ) Yes (x) No

Does the Company have An ADWR Gallons Per Capita Per Day (GPCPD) requirement?

( ) Yes (x) No

If yes, provide the GPCPD amount:\_\_\_\_\_

What is the level of arsenic for each well on your system. see attached mg/l

*(If more than one well, please list each separately)*

***Note: If you are filing for more than one system, please provide separate data sheets for each system.***

COMPANY NAME Mormon Lake Water Company YEAR ENDING 12/31/2003

**PROPERTY TAXES**

Amount of actual property taxes paid during Calendar Year 2003 was: \$ 1763

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. N/A

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COMPANY NAME Mormon Lake Water Company

YEAR ENDING 12/31/2003

**INCOME TAXES**

For this reporting period, provide the following:

Federal Taxable Income Reported	<u>0</u>
Estimated or Actual Federal Tax Liability	<u>0</u>

State Taxable Income Reported	<u>0</u>
Estimated or Actual State Tax Liability	<u>50</u>

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances	<u>                    </u>
Amount of Gross-Up Tax Collected	<u>                    </u>
Total Grossed-Up Contributions/Advances	<u>                    </u>

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

**CERTIFICATION**

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

  
**SIGNATURE**

4/14/04

**DATE**

Rjay Lloyd

**PRINTED NAME**

Secretary

**TITLE**

VERIFICATION  
AND  
SWORN STATEMENT  
Intrastate Revenues Only

**RECEIVED**

APR 29 2004

VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)
Maricopa
NAME (OWNER OR OFFICIAL) TITLE
Rjay Lloyd, Secretary
COMPANY NAME
Mormon Lake Water Company

AZ CORPORATION COMMISSION  
DIRECTOR OF UTILITIES

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2003

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

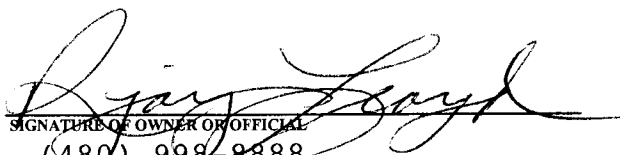
IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2003 WAS:

Arizona IntraState Gross Operating Revenues Only (\$)

\$ 37348

(THE AMOUNT IN BOX ABOVE  
INCLUDES \$ 0  
IN SALES TAXES BILLED, OR COLLECTED

**\*\*REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

  
SIGNATURE OF OWNER OR OFFICIAL  
(480) 998-8888  
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

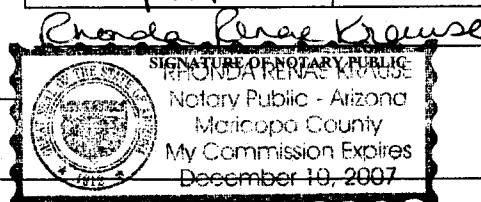
A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 15th DAY OF

(SEAL)

MY COMMISSION EXPIRES December 10, 2007

COUNTY NAME	
MARICOPA	
MONTH <u>April</u>	<u>2004</u>



VERIFICATION  
AND  
SWORN STATEMENT  
RESIDENTIAL REVENUE  
INTRASTATE REVENUES ONLY

**RECEIVED**

APR 29 2004

AZ CORPORATION COMMISSION  
DIRECTOR OF UTILITIES

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

(COUNTY NAME) Maricopa	
NAME (OWNER OR OFFICIAL) Rjay Lloyd	TITLE Secretary
COMPANY NAME Mormon Lake Water Company	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION  
FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2003

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

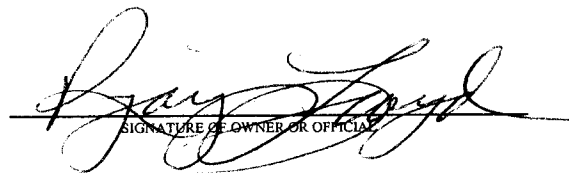
**SWORN STATEMENT**

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2003 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES  \$ 34234
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(THE AMOUNT IN BOX AT LEFT  
INCLUDES \$ 0  
IN SALES TAXES BILLED, OR COLLECTED

\*RESIDENTIAL REVENUE REPORTED ON THIS PAGE  
MUST INCLUDE SALES TAXES BILLED.

  
SIGNATURE OF OWNER OR OFFICIAL

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

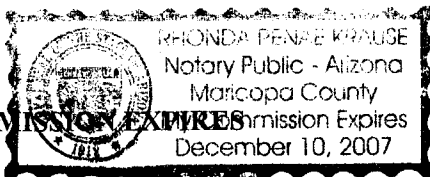
15th

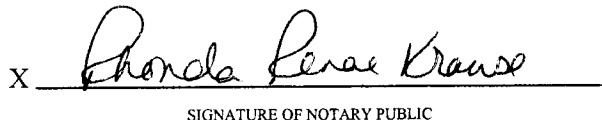
DAY OF

NOTARY PUBLIC NAME Rhonda Renee Krause	
COUNTY NAME Maricopa	
MONTH April	. 2004

(SEAL)

MY COMMISSION EXPIRES



X   
SIGNATURE OF NOTARY PUBLIC



Mormon Lake Water Co.  
Year Ending 12/31/03

**Page 11, Annual Report**

Level of arsenic for each well on your system

55-608464	less than .010
55-564454	less than .014
55-564838	less than .014

BANK OF AMERICA  
91-170/1221

MORMON LAKE WATER CO.  
P.O. BOX 38012  
MORMON LAKE, AZ 86038

CHECK NO. 00003720

VOID  
AFTER 180 DAYS  
1217578

10/29/03 \$ \*\*\*\*\*059.92

Pay Eight Hundred Fifty Nine and 92/100 \*\*\*\*\*

MORMON LAKE WATER CO.

TO THE  
ORDER OF:

COCONINO COUNTY TREASURER  
BONNY K KRASKE  
110 E CHERRY AVE  
FLAGSTAFF AZ 86001

BY



917-10-100

⑈0003720⑈ ⑆122101706⑆ 00035⑈751357⑈ ⑈00000085992⑈

BANK OF AMERICA  
91-176/1233

MORMON LAKE WATER CO.  
P.O. BOX 2812  
MORMON LAKE, AZ 86001

617-91-91

CHECK NO. 00003672

VOID  
AFTER 60 DAYS  
1217578

06/30/03 93 \*\*\*\*\*902.73

PAY TO THE ORDER OF TWO AND 73/100 \*\*\*\*\*

MORMON LAKE WATER CO.

TO THE  
ORDER OF:

COCHINO COUNTY TREASURER  
BONNY K KRASKE  
110 E CHERRY AVE  
FLAGSTAFF AZ 86001

*Bonny Kraske*

BY

⑈003672⑈ ⑈22106706⑈ 000035⑈751357⑈ ⑈0000090273⑈